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OFFICE OF INTERNATIONAL
CORPORATE FINANCE

Office of International Corporate Finance-
Division of Corporation Finance
Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549
U.S.A.



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October 3, 2006

Ref.: **Rule 12g3-2(b) File No. 82-4970**

The enclosed Ad-hoc Press Release is being furnished to the Securities and Exchange Commission (the "SEC") on behalf of Austrian Airlines AG (the "Company") pursuant to the exemption from the Securities Exchange Act of 1934 (the "Act") afforded by Rule 12g3-2(b) thereunder.

SUPPL

This information is being furnished under paragraph (1) of Rule 12g3-2(b) with the understanding that such information and documents will not be deemed to be "filed" with the SEC or otherwise subject to the liabilities of Section 18 of the Act and that neither this letter nor the furnishing of such information and documents shall constitute an admission for any purpose that the Company is subject to the Act.

Very truly yours,

AUSTRIAN AIRLINES
Österreichische Luftverkehrs AG

Dr. Prisca Havranek-Kosicek
Corporate Subsidiaries & IR

Encl.

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October 3, 2006

Ad-hoc Release

AUSTRIAN AIRLINES ÖSTERREICHISCHE LUFTVERKEHRS- AKTIENGESELLSCHAFT CONTEMPLATES CAPITAL INCREASE

In order to implement an ordinary capital increase later this year, Austrian Airlines Österreichische Luftverkehrs-Aktiengesellschaft intends to invite its shareholders to an extraordinary Shareholders' Meeting at the Austria Center Vienna at 10.00 a.m. on 2 November 2006. The agenda will provide for resolutions regarding an ordinary capital increase under sections 149 et seq. of the Austrian Stock Corporation Act (*Aktiengesetz*) with a maximum volume of up to 68 million bearer shares with no par value and a simplified capital reduction under sections 182 et seq. of the Austrian Stock Corporation Act. By means of the simplified capital reduction the calculated notional amount per share of EUR 7.27 is intended to be reduced to EUR 3.00. The capital increase is intended to be implemented by way of an 'at market bookbuilt offering'. The Austrian syndicated shareholders support the contemplated capital increase.

Disclaimer: This ad hoc release constitutes neither an offer to sell nor a solicitation to buy any securities. A public offer of shares by Austrian Airlines Österreichische Luftverkehrs-Aktiengesellschaft has not yet taken place. Any securities orders received prior to the commencement of the offer period will be rejected. If a public offer is made in Austria, a prospectus will be published in accordance with the Austrian Capital Market Act.

This ad hoc release is not being issued in the United States of America (USA) and must not be distributed to "U.S. persons" (as defined in Regulation S of the U.S. Securities Act of 1933, as amended) or publications with a general circulation in the USA. This ad hoc release does not constitute an offer or invitation to purchase any securities in the USA. The securities of Austrian Airlines Österreichische Luftverkehrs-Aktiengesellschaft have not been registered under the Securities Act and may not be offered, sold or delivered within the USA or to U.S. persons absent from registration under or an applicable exemption from the registration requirements of the United States securities laws.

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